




Washington State  
Department of Revenue

# Guide to Completing the Washington State



STATE OF WASHINGTON  
Department of Revenue  
PO Box 34051  
Seattle, WA 98124-1051

SEPTEMBER 1998

09  
98

COMBINED EXCISE TAX RETURN

NAME \_\_\_\_\_ REG NO. \_\_\_\_\_  
FIRM NAME \_\_\_\_\_  
STREET ADDRESS \_\_\_\_\_  
CITY, STATE, ZIP \_\_\_\_\_

Please make any address changes above. Check if this change is your ☐ business location, ☐ mailing address, or ☐ both.

**I STATE BUSINESS AND OCCUPATION TAX** If your business closed, indicate date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
For additional information, see note 5 on page 2.

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc. Perish Meat-Whise, Mtg Wheat into Flour, Raw Seafood, Soybean & Canola Processing	30				.00138	
3	Travel Agent Com; Int Charter Freight Brokers and Stevedoring	28				.00275	
4	Insurance Agents/Insurance Brokers Commis	14				.00484	
5	Manufacturing Fresh Fruits and Vegetables; Splitting or Proc. Dried Peas	21				.00138	
6	Processing for Hire/Printing and Publishing	10				.00484	
7	Manufacturing	07				.00484	
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03				.00484	
10	Warehousing, Radio & TV Broadcasting, Public Road Construction/Government Contracting	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	83				.00471	
13	Service & Other Activities	04				.015	
14	Retailing of Interstate Transportation Equip	19				.00484	
15	Retailing	02				.00471	

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

\* Deductions taken but not explained on pages 3 and 4 will be disallowed. **TOTAL B&O** \_\_\_\_\_

**II STATE SALES AND USE TAX**

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
16	Retail Sales (also complete local tax section)	01				.065	
17	Use Tax (also complete local tax section)	05				.065	

**TOTAL STATE SALES & USE** \_\_\_\_\_

**LOCAL CITY AND/OR COUNTY SALES AND USE TAX**

**Local Sales Tax (Enter applicable rate of tax) Code 45**  
Total Taxable Amount must be the same as line 16, column 3, Taxable Amount

Line No.	Location Code	Taxable Amount	Rate	Tax Due City or Co.
18				
19				
20				
21				
22				

**TOTAL LOCAL SALES TAX** \_\_\_\_\_

**Local Use Tax (Enter applicable rate of tax) Code 46**  
Total Taxable Amount must be the same as line 17, column 1, Gross Amount

Line No.	Location Code	Taxable Amount	Rate	Tax Due City or Co.
23				
24				
25				

**TOTAL LOCAL USE TAX** \_\_\_\_\_

Tax Classification	Code	Taxable Amount	Rate	Tax Due
Regional Transit Authority (RTA)	89		.004	
King Cnty Food/Bev	90		.005	

**VII TOTALS**

Line No.	Item	Tax Due
26	Total All Tax Due from page 1	
27	Total All Tax Due from page 2	
28	Rental Car Tax (attach Rental Car Tax Addendum)	
29	Subtotal (add lines 26-28)	
30	Credit (from page 2, section VI, total credit)	
31	Subtotal (subtract line 30 from line 29)	
32	Penalty (see note number 4 on page 2) ★ <small>Minimum \$5.00</small>	
33	Interest	
<b>Total Amount Owed (add lines 31 - 33)</b>		

★ If you qualify, attach penalty waiver request and check (✓) this box. ☐

REV 40 2406 SEPT98 (07-29-98)

Page 1

## Combined Excise Tax Return

Monthly/Quarterly Filers  
September 1998

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*To request this document in an alternate format for the visually impaired or a language other than English, please call (360) 753-3217. Teletype (TTY) users please call (800) 451-7985.*

## For Your Information

The *Guide to Completing the Washington State Combined Excise Tax Return* is written to assist you with the mechanical aspects of completing the tax return. Although the Guide discusses general tax applications, it is not intended to cover every situation in which tax is due. Under Washington's tax laws, responsibility for filing tax returns and accurately reporting tax liability rests solely with the taxpayer. For this reason, we encourage you to review the rules, Washington Administrative Code (WAC), and laws, Revised Code of Washington (RCW) that apply to your specific business activities.

**Tax Return Due Dates:** Due dates are printed on the tax return. Returns are mailed; however, they do not always reach their destination on time. It is still your responsibility to report and pay taxes by the due date. Due dates are:

Monthly Returns - The 25th day of the month following the close of the reporting month.

Quarterly Returns - The last day of the month following the close of the quarter.

Annual Returns - January 31.

If the due date falls on a weekend or legal holiday, the due date for the return is the next business day.

**Reporting No Business Activity:** If you had no business activity for the period, check the No Business Activity box above the signature line. Please sign and date the return and include a daytime phone number. Make a copy for your files and mail the original return in the self-addressed envelope provided. You may also call Department of Revenue's (DOR) 24-hour automated attendant to file a no business tax return at (800) 647-7706.

**Rounding:** Please round off to the nearest whole dollar by dropping amounts that are less than 50 cents and rounding up amounts that are 50 cents or more. For example, if your gross sales for the reporting period total \$12,123.48, enter

\$12,123 on the return. If your gross sales for the period total \$23,334.50, enter \$23,335 on the return. Round off all amounts, even the calculated tax due. If you have to add two or more figures to determine the amount to enter on a line, include cents when adding and then round off the total.

**DOR Tax Reporting Account Number:** The nine-digit number on the line above your name and address on the Combined Excise Tax Return is the Tax Reporting Account Number. This number is unique to you and your business. Please be sure to write this number on the Deduction Detail pages and check.

601 600 600

SMITH JANE D

123 XXX ST NE

SOME CITY, WA 98501-1234

**Amended Returns:** To amend returns filed for a prior period, you may:

1. Make a copy of the original return, line through the incorrect figures and write in the correct figures; or
2. Use blank tax returns, with correct figures.

Please make sure each amended return is marked *Amended* and contains your business name, DOR Tax Reporting Account Number (registration number), reporting period, and a **detailed explanation of why the original figures need amending**. To receive a copy of *How to Amend Your Combined Excise Tax Return*, please call (800) 647-7706.

**For Further Assistance:** If you need further assistance completing the tax return or have questions about the taxability of your business activities, contact your local Department of Revenue office or the Telephone Information Center. The Information Center also provides numerous automated services that are available 24-hours a day. See the back page of this guide.



Pre-recorded tax information — 24 hours a day  
(800) 334-8969

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This guide is also available on our Internet home page at <http://www.wa.gov/dor/wador.htm>

# Instructions For Completing The Combined Excise Tax Return

## Section I, State Business and Occupation Tax Lines 1-15

1. Review the definitions of the business and occupation (B&O) tax classifications on pages 6-7 of this guide. Locate the proper tax classification for your business activities on page 1 of the tax return, lines 1-15.
2. In column 1, on the line for the appropriate B&O tax classification, write the gross income, gross proceeds of sales, or the value of products resulting from your Washington business activities.
3. There are no deductions for the cost of doing business, such as labor, materials, overhead, etc. However, the statute allows certain deductions. To determine if you have deductible income for column 2, refer to the deduction definitions on pages 11-13 of this guide. For allowable deductions, follow these steps:
  - a) On page 3 of the Deduction Detail, locate the column that corresponds to the line number of your B&O tax classification on page 1 of the tax return. For example, if you report wholesale sales on line 9 and you have deductions for column 2, you must identify those deductions on page 3 under the column titled *Ln 9-Wholesaling*.
  - b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
  - c) Write the total amount of deductions in the total box.
  - d) Transfer the amount in the total box to column 2 of the corresponding line (tax classification) on page 1.
4. Subtract column 2 from column 1 on page 1 of the tax return. Write this amount in column 3. This is your taxable amount.
5. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5.
6. Total the amounts in column 5, lines 1-15, and write this amount in the *Total B&O* box.

## Section II, State and Local Sales and Use Tax Lines 16-25

### State Retail Sales Tax, Line 16

1. On line 16, column 1, copy the amount from line 15, column 1. Amounts on lines 15 and 16, column 1, **must be the same**. (If you are a printer and publisher, or a processor for hire, see page 6 of this guide.)
2. The statute allows certain sales tax deductions. To determine if you have deductible income for column 2, refer to the deduction definitions on pages 11-13 of

this guide. For allowable sales tax deductions, follow these steps:

- a) Locate the column titled *Ln 16-Retail Sales* on page 4, Deduction Detail, of the tax return. This corresponds with line 16, retail sales tax, on page 1.
  - b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
  - c) Write the total amount of deductions in the total box.
  - d) Transfer this amount to line 16, column 2 on page 1.
3. Subtract column 2 from column 1 on page 1 of the tax return. Write this amount in column 3. This is your taxable amount.
  4. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

### Local Sales Tax, Lines 18-22

1. On lines 18-22, write the location code(s) and rate(s) in the appropriate columns for each location where retail sales took place. For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer sent with the tax return each quarter. If more space is needed, use *Supplement Form 40 2406* on page 18 of this guide.
2. Write your taxable amount for each location code in the Taxable Amount column.
3. Total the amounts in the Taxable Amount column and write this amount in the total box. **This amount must be the same as line 16, column 3.**
4. Multiply each taxable amount by the rate. Write the amount(s) in the Tax Due City or County column. Do not include Regional Transit Authority tax here (see pages 3 and 8).
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total Local Sales Tax* box.

### Determining Location Codes (WAC 458-20-145)

**Sales of Tangible Personal Property Originating in Washington State:** Businesses making sales of products must use the location code that corresponds to the place from where the product was delivered. Usually this is the retail outlet where the sale occurs. If the delivery is made from a warehouse at a separate location, the location of the warehouse determines the correct location code.

- ❖ Example: A customer from Gig Harbor orders goods from a store located within the city limits of Tacoma. It makes no difference whether the customer picks up the goods, or the Tacoma store makes the delivery. The sale occurs at the Tacoma store. Thus, the location code and rate for Tacoma applies.

### Sales of Tangible Personal Property Originating in Another State:

Businesses making sales of goods that originate in another state must use the location code and tax rate that corresponds to the location of the in-state facility, office, agent or other representative that participates in the sale. The buyer's location will determine the location code and tax rate only if the seller has no in-state facility, outlet, agent or other representative that participates in the sale.

- ❖ Example: A customer from Olympia orders goods from a business in San Francisco, California. The seller has a representative who lives in Federal Way. Thus, the location code and tax rate for Federal Way applies.
- ❖ Example: A customer from Wenatchee orders goods from a Minneapolis, Minnesota company that does not maintain an in-state facility, office, agent, or other representative. The location code and tax rate for Wenatchee applies.

### Sales of Retail Services, Installation and Construction:

Businesses performing retail services or selling products requiring significant installation must use the location code that corresponds to the place where the service or installation occurs.

- ❖ Example: A Bellevue store sells carpet to a Redmond customer. As a condition of sale, the Bellevue store agrees to install the carpet in the customer's Redmond home. The Bellevue store will collect sales tax at the Redmond rate. (If the Bellevue store merely delivers the carpet without installation, the sale is subject to tax at the Bellevue rate. See prior example for sales of tangible personal property.)

### Lease or Rental of Tangible Personal Property:

For short-term leases, the seller's (lessor) location determines the applicable tax rate. Short-term leases are generally for less than 30 days and do not require periodic payments.

- ❖ Example: A Spokane business rents a rototiller to a customer in Airway Heights for two days. The business will collect the applicable rate for Spokane.

For long-term leases, the customer's (lessee) location determines the applicable tax rate. Long-term leases are generally longer than 30 days and require periodic payments.

- ❖ Example: A person in Yakima enters into a 36-month vehicle lease with a Seattle leasing company. The Seattle company will collect the applicable rate for Yakima.

If you have any questions about properly coding local sales and use tax, please contact your nearest Department of Revenue office, or call (360) 902-7170.

### Reporting Local Sales and Use Tax Rate Changes (WAC 458-20-199; -235)

Special instructions apply if local tax jurisdictions change tax rates or, due to incorporation, change their four-digit location codes in the middle of a reporting period.

- ❖ Example: The city of Battle Ground (0601) imposed a new tax rate effective March 1, 1998. For sales taking place in Battle Ground before March 1, the local tax rate was .011. Sales taking place after March 1 are taxed at .013.

Monthly Taxpayers: For income received in March (new rate) for work completed in February (old rate), the tax return filed for February should be amended. See *For Your Information* at the front of this guide for amending the tax return.

Quarterly Taxpayers: Report the following on the quarterly tax return:

LOCAL SALES TAX (Enter applicable rate of tax)					Code 45	
Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount						
Line No.	Location Code	Taxable Amount		Rate	Tax Due City or Co.	
18	0601	3,000	00	.011	33	00
19	0601	2,000	00	.013	26	00
20		Reflects January and February income				
21						
22		Reflects March income				
TOTAL LOCAL SALES TAX		5,000	00		59	00

- ❖ Example: The city of Kenmore incorporated as of September 1, 1998. For sales taking place before September 1, the local tax is coded to 1700. Sales taking place after September 1 are coded to the new location code of 1738.

Monthly Taxpayers: For income received in September (new code), for work completed in August (old code), the tax return filed for August should be amended. See *For Your Information* at the front of this guide for amending the tax return.

Quarterly Taxpayers: Report the following on the quarterly tax return:

LOCAL SALES TAX (Enter applicable rate of tax)					Code 45	
Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount						
Line No.	Location Code	Taxable Amount		Rate	Tax Due City or Co.	
18	1700	3,000	00	.017	51	00
19	1738	2,000	00	.017	34	00
20						
21						
22						
TOTAL LOCAL SALES TAX		5,000	00		85	00

### State Use Tax, Line 17

1. Write the value of goods used on line 17, column 1.
2. Multiply the amount in column 1 by the rate shown in column 4. Write this amount in column 5, line 17.

### Local Use Tax, Lines 23-25

1. On lines 23-25, write the location code(s) and rate(s) in the appropriate columns for each location in which tax is due. For local tax codes and rates, see the *Tax Return Information and Local Sales and Use Tax Changes* flyer sent with the tax return each quarter. If more space is needed, use *Supplement Form 40 2406* on page 18 of this guide.
2. Write your taxable amount for each location code in the Taxable Amount column.
3. Total the amounts in the Taxable Amount column and write this amount in the total box. **This amount must be the same as line 17, column 1.**
4. Multiply the taxable amount for each location by the rate. Write the result(s) in the Tax Due City or County column.
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total Local Use Tax* box.

### Total State Sales and Use Tax, Lines 16-17

1. Total the amounts in column 5, lines 16-17.
2. Write this amount in the *Total State Sales & Use Tax* box.

### Regional Transit Authority (RTA) Tax

1. Do not include RTA Tax with the local sales tax computation.
2. Review the definition of this tax on page 8 of this guide. For sales occurring within RTA boundaries of King, Pierce, and Snohomish counties, write the taxable amount in the Taxable Amount column on the RTA line located at the lower left corner of page 1 of the tax return.
3. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

### King County Food and Beverage Tax

1. Do not include King County Food and Beverage Tax with the local sales tax computation.
2. Review the definition of this tax on page 8 of this guide. Write the taxable amount in the Taxable Amount column on the King County Food and Beverage line located at the lower left corner of page 1 of the tax return.
3. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

### Totals, Page 1

1. Total all tax due amounts on page 1. This includes totals for B&O Tax, State Sales and Use Tax, Local Sales and Use Tax, RTA Tax, and King County Food and Beverage Tax. Write the total on line 26.
2. If you do not have lodging taxes, state public utility taxes or other taxes, skip to Section VI, Credits.

## Section III, Lodging Taxes Lines 34-41

The *Tax Return Information and Local Sales and Use Tax Changes* flyer sent with your tax return each quarter includes the correct rates for Lodging Taxes. To report lodging locations, use the same location codes as for reporting local sales tax. For lodging tax classification definitions, see page 8 of this guide.

### Transient Rental Income Information, Lines 34-35

1. Write the four-digit location code(s) on page 2, lines 34-35, in the appropriate column.
2. Write the income from transient lodging for each location code in the Income column. There is no tax computation required for lines 34-35. Write "0" if there was no lodging income for the reporting period.

### Convention and Trade Center Tax, Lines 36-38

1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 36-38.
2. Write the taxable amount for each location in the Taxable Amount column.
3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
4. Total the amounts in the Tax Due column and write this amount in the *Total Convention & Trade Center Tax* box.

### Special Hotel/Motel Tax, Lines 39-41

1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 39-41.
2. Write the taxable amount for each location in the Taxable Amount column.
3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
4. Total the amounts in the Tax Due column and write this amount in the *Total Special Hotel/Motel Tax* box.

## Section IV, State Public Utility Tax Lines 42-48

1. Review the definitions of the public utility tax classifications on pages 8-9 of this guide. Locate the proper tax classification for your public utility activities on page 2 of the tax return, lines 42-48.
2. In column 1, on the line for the appropriate public utility tax classification, write the gross income from your public utility activities.
3. The statute allows certain deductions for the public utility tax. To determine if you have deductible income for column 2, refer to the deduction definitions on

pages 11-13 of this guide. For allowable deductions, follow these steps:

- a) On page 4 of the Deduction Detail, locate the column that corresponds to the line number of your Public Utility tax classification on page 2 of the tax return. For example, if you report income for urban transportation activities on line 47 and you have deductions for column 2, you must identify those deductions on page 4 under the column titled *Ln 47-Urban Trans.*
  - b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
  - c) Write the total amount of deductions in the total box.
  - d) Transfer this amount to column 2 of the corresponding line (tax classification) on page 2.
4. Subtract column 2 from column 1 on page 2 of the tax return. Write this amount in column 3. This is your taxable amount.
  5. Total column 3, lines 42-48. To determine if public utility tax is due, review the following:
    - a) You are below the taxable minimum if the combined total of all taxable amounts in column 3 is less than \$2,000 per month or less than \$6,000 per quarter. If this is the case, write 0 (zero) in column 5. Public Utility tax is not due.
    - b) If the combined total of all taxable amounts in column 3 is equal to or greater than \$2,000 per month or equal to or greater than \$6,000 per quarter go to step 6.
  6. Multiply each taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.
  7. Total the amounts in the Tax Due column and write this amount in the *Total State Public Utility Tax* box.

## Section V, Other Taxes Lines 49-55

Review the definitions of other taxes on page 9 of this guide. Locate the proper tax classification for these taxes on page 2 of the tax return, lines 49-55. It is important to note that gross income under the tobacco products, petroleum, and hazardous substances taxes is based on the wholesale value of the product. The solid fuel burning device fee is based on the number of devices sold while the syrup tax is based on the number of gallons sold.

### Lines 49-53

1. In column 1 on the line for the appropriate tax, write the gross amount.
2. The statute provides certain deductions for income reported on lines 49-52. To determine if you have deductible income for column 2, refer to the deduction

definitions on pages 11-13 of this guide. For allowable deductions, follow these steps:

- a) On page 4 of the Deduction Detail, locate the column that corresponds to the line number of your tax classification on page 2 of the tax return. For example, if you report sales of tobacco products on line 49 and you have deductions for column 2, you must identify those deductions on page 4 under the column titled *Ln 49-Tobacco*.
  - b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
  - c) Write the total amount of deductions in the total box.
  - d) Transfer this amount to column 2 of the corresponding line (tax classification) on page 2 of the tax return.
3. Subtract column 2 from column 1 on page 2 of the tax return. Write this amount in column 3. This is your taxable amount.
  4. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5.

### Lines 54-55

1. Write the number of items sold in the Quantity Sold column.
2. Multiply this amount by the rate shown and write this amount in the Tax Due column.

### Total Other Taxes, Lines 49-55

1. Total the amounts in the Tax Due columns, lines 49-55.
2. Write this amount in the *Total Other Taxes* box.

### Totals, Page 2

1. Total all Tax Due amounts for page 2. This includes Convention and Trade Center Tax, Special Hotel/Motel Tax, State Public Utility Tax, and Other Taxes.
2. Write this amount on line 27, page 1.

## Section VI, Credits Lines 56-64

1. Review the credit definitions on page 10 of this guide and enter the credit amount(s) on the appropriate line(s), excluding the Small Business B&O Tax Credit, line 60.
2. To calculate the Small Business B&O Tax Credit, total all B&O credits, lines 56-59, and subtract from the total B&O liability on page 1, Section I, to reach your net B&O tax.
  - a) Find the total net B&O tax due in the following table according to your reporting frequency.

- b) Read across to the next column. This is the amount of your Small Business B&O Tax Credit. (If your total net B&O tax due is less than \$36 for monthly filers, and \$106 for quarterly filers, the Small Business B&O Tax Credit is equal to your net B&O tax due.)
- c) Write the amount on line 60.

Monthly Table					
If Your Total Net B&O Tax is:		Your Small Business B&O Tax Credit is:	If Your Total Net B&O Tax is:		Your Small Business B&O Tax Credit is:
At Least	But Less Than		At Least	But Less Than	
\$0	\$36	Equal to the Amount of B&O Tax Due	\$51	\$56	\$20
\$36	\$41	\$35	\$56	\$61	\$15
\$41	\$46	\$30	\$61	\$66	\$10
\$46	\$51	\$25	\$66	\$71	\$ 5
			\$71	or more	\$ 0

Quarterly Table					
If Your Total Net B&O Tax is:		Your Small Business B&O Tax Credit is:	If Your Total Net B&O Tax is:		Your Small Business B&O Tax Credit is:
At Least	But Less Than		At Least	But Less Than	
\$ 0	\$106	Equal to the Amount of B&O Tax Due	\$156	\$161	\$ 55
\$106	\$111	\$105	\$161	\$166	\$50
\$111	\$116	\$100	\$166	\$171	\$45
\$116	\$121	\$ 95	\$171	\$176	\$40
\$121	\$126	\$ 90	\$176	\$181	\$35
\$126	\$131	\$ 85	\$181	\$186	\$30
\$131	\$136	\$ 80	\$186	\$191	\$25
\$136	\$141	\$ 75	\$191	\$196	\$20
\$141	\$146	\$ 70	\$196	\$201	\$15
\$146	\$151	\$ 65	\$201	\$206	\$10
\$151	\$156	\$ 60	\$206	\$211	\$ 5
			\$211	or more	\$ 0

3. Total all credits, lines 56-64, and write this amount in the *Total Credit* box. Transfer this amount to Section VII, line 30 on page 1 of the tax return.
4. Attach any documents required to support your credit(s) to the tax return.

### Section VII, Totals Lines 26-33

- Verify all totals from pages 1 and 2 have been transferred to Section VII on page 1.
- Write any rental car tax due from the *Rental Car Tax Addendum* on line 28.
- Add lines 26-28. Write the subtotal on line 29.
- Subtract line 30 from line 29 and write the subtotal on line 31.
- If you file this tax return after the due date printed on the front of the tax return, you owe a penalty. \* See penalty rates on the front of the tax return below the signature line. Multiply the penalty rate you owe by the subtotal on line 31, and write this amount on line 32.
- If reporting taxes for prior year(s), you may owe interest on line 33. Please call your local Revenue office for more information (see back of this guide).
- Add lines 31-33, and write this amount in the *Total Amount Owed* box. This is the amount you owe.

### \* Late Filing Penalties, Line 32

Penalty is due on all delinquent returns. However, no penalty applies if no tax is due. If you are filing your return late and are requesting a waiver of the penalty, please check the box on the bottom of page 1 and attach your written request to the return. The request should explain the circumstances which caused your return to be late. The Department may waive or cancel the penalties or interest imposed upon finding that the failure to timely pay any tax was due to *circumstances beyond the taxpayer's control*. (WAC 458-20-228.)

### Finishing Your Tax Return

To help us process your tax return, please:

- Make sure the gross amounts being reported occurred in the period and year printed at the top of the return.
- If you have deductions, print your name and DOR Tax Reporting Account Number (Registration Number) on the top of page 3 of the Deduction Detail page.
- Attach the Deduction Detail page and any credit schedules to your return.
- Sign and date the return.
- Write a daytime telephone number, including area code.
- Make a copy of the return for your files.
- Write your DOR Tax Reporting Account Number on your check (see *For Your Information* at the front of this guide).
- Make the check payable to: Washington State Department of Revenue.
- Do not staple your check to the return. Do not send cash or coin.
- Mail the original return and payment, if due, in the self-addressed envelope enclosed with your return.

## *Tax Classification, Credit and Deduction Definitions*

### **Section I, State Business and Occupation Tax Lines 1-15**

#### **Line 1**

**Extracting, Extracting for Hire:** Removing natural resources from land or water. Examples include logging, mining, quarrying, and fishing operations. Persons selling resources extracted in Washington must also report under line 9, wholesaling and/or line 15, retailing. A Multiple Activities Tax Credit (MATC, page 10) is available for persons extracting and selling natural resources in Washington. **Note:** A limited exemption is available to small timber harvesters. (WAC 458-20-135; -259)

#### **Line 2**

**Slaughtering, Breaking and Processing Perishable Meat - Wholesale:** Slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale. If perishable meat products are sold at retail in Washington, report on line 15, retailing and line 16, retail sales tax. See Exempt Food Sales deduction, page 12. (WAC 458-20-136)

**Manufacturing Wheat into Flour, Soybean & Canola Processing:** Manufacturing wheat into flour, soybeans into soybean oil, sunflower seeds into sunflower oil, and canola into canola oil, meal or canola byproducts. Persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 10. Also, see Exempt Food Sales deduction, page 12. (WAC 458-20-136)

**Raw Seafood Products:** Manufacturing seafood products which remain in a raw frozen, raw salted, or in a raw state at completion of the manufacturing process. Persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 10. See Exempt Food Sales deduction, page 12. (WAC 458-20-136)

#### **Line 3**

**Travel Agent Commissions:** Arranging transportation, lodging, meals, or other similar services which are purchased by the customer and where the travel agent or agency merely receives a commission for arranging the service. Persons engaged in arranging for and/or providing guided tours and guided charters which are for periods of more than one day. (WAC 458-20-258)

**International Charter, Freight Brokers, and Stevedoring:** International trade, brokering or cargo business, stevedoring, and associated activities of moving goods and commodities in waterborne foreign commerce. (WAC 458-20-193D)

#### **Line 4**

**Insurance Agents/Insurance Brokers Commission:** Insurance agents, brokers, or solicitors. The amount of gross commissions received and not the gross premiums paid by the insured determines gross income. (WAC 458-20-164)

#### **Line 5**

**Manufacturing Fresh Fruits and Vegetables:** Manufacturing by canning, preserving, freezing or dehydrating fresh fruits and vegetables in Washington. Unless the buyer takes the products out of state, persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 10. See Exempt Food Sales deduction, page 12. (WAC 458-20-136)

**Splitting or Processing of Dried Peas:** Splitting or processing dried peas in Washington. Persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 10. See exempt Food Sales deduction, page 12. (WAC 458-20-136)

#### **Line 6**

**Processing for Hire:** Performing labor and mechanical services upon materials belonging to others resulting in a new, different or useful article of tangible personal property produced for sale or commercial or industrial use. If a person provides 20 percent or more of the value of materials, the income should be reported under the manufacturing classification. Persons who are processing for hire tangible personal property for consumers must also collect and report retail sales tax. Persons reporting under processing for hire are not subject to the retailing or wholesaling B&O tax with respect to these sales. Lines 15 and 16 will not be the same. (WAC 458-20-136)

**Printing and Publishing:** Printing and/or publishing of newspapers, magazines, and periodicals. Persons who **both** print & publish books, music, circulars, etc., report gross income, including advertising income, under printing & publishing. Persons who **only publish** books, music, circulars, etc., report advertising income on line 13, service & other activities. Persons selling printed and/or published material to consumers must also collect retail sales tax. Persons reporting under Printing and Publishing are not subject to the retailing or wholesaling B&O tax with respect to these sales. Lines 15 and 16 will not be the same. (WAC 458-20-143; -144)

### Line 7

**Manufacturing:** Producing a new, different or useful substance or article of tangible personal property for sale or commercial or industrial use. Persons selling items must also report under line 9, wholesaling or line 15, retailing. For products manufactured and sold in Washington, see MATC, page 10. (WAC 458-20-136)

### Line 8

**Royalties:** Income from royalties or charges in the nature of royalties for the granting of intangible rights. The term *royalties* means compensation for the use of intangible property such as copyrights, patents, licenses, franchises, trademarks, trade names, and similar items. This classification does not include compensation relating to natural resources, such as mining or drilling rights. Such income is taxable under the service and other activities classification. (Senate Bill (SB) 6449 (Chapter 331, Laws of 1998))

**Child Care:** Care of children age 8 and above or enrolled in the first grade or above when provided in non-church facilities. Care provided to children under the age of 8 or enrolled in kindergarten or below is deductible under RCW 82.04.4282. Care provided to children in church facilities is exempt under RCW 82.04.339. (House Bill (HB) 2335 (Chapter 312, Laws of 1998))

### Line 9

**Wholesaling:** Sales of tangible personal property and/or labor performed for persons who resell the same in the normal course of business. Wholesalers must receive and retain a Resale Certificate. See page 19 for an example of the Resale Certificate. (WAC 458-20-102)

### Line 10

**Warehousing:** Operating a storage warehouse. **Note:** Rental of cold storage lockers should be reported on line 13, service and other activities. The rental of mini-storage units is exempt from the B&O tax. (WAC 458-20-182)

**Radio and TV Broadcasting:** Radio or TV broadcasting. (WAC 458-20-241)

**Public Road Construction:** Building, repairing or improving roads, transportation facilities, bridges, or like facilities owned by municipal corporations, political subdivisions of the state, or the federal government which are used primarily for foot or vehicular traffic. Persons reporting public road construction activities owe sales or use tax on all materials installed or used. Persons building, repairing, or improving roads for the state of Washington report on line 15, retailing. (WAC 458-20-171)

**Government Contracting:** Building, repairing or improving real property owned by the United States, its departments, institutions and instrumentalities, and city and county housing authorities. This classification applies only to construction contracts. Persons performing government

contracting activities owe sales or use tax on all materials installed or used, regardless of supplier. Persons performing construction activities for state and local governments report on line 15, retailing. (WAC 458-20-17001)

### Line 11

**Public or Non-Profit Hospitals:** Operating public or nonprofit hospitals. (RCW 82.04.260)

### Line 12

**Cleanup of Radioactive Waste for US Government:** Cleanup of radioactive waste resulting from production of weapons or nuclear research and development when the work is done for the federal government. (RCW 82.04.263)

**Environmental Remedial Action:** Services relating to the identification, investigation, or cleanup of hazardous substances arising from a release or threatened release in one of four statutorily defined situations. Persons performing environmental remedial actions must obtain and keep a copy of the Department of Revenue's written confirmation that the property owner has provided certain certifications to the departments of Revenue and Ecology. Persons performing Environmental Remedial Action activities owe sales and/or use tax on all materials installed or used. (Substitute House Bill (SH) 2051 (Chapter 308, Laws of 1998))

### Line 13

**Service & Other Activities:** This classification includes activities previously subject to tax under the selected business services and financial business services classifications and all other activities not otherwise classified. (WAC 458-20-224; RCW 82.04.290)

### Line 14

**Retailing of Interstate Transportation Equipment:** Retail sales or repair of equipment or component parts used in interstate transportation or used in conducting deep sea fishing operations outside territorial waters of Washington. The seller must receive an exemption certificate from the buyer. (WAC 458-20-174; -175; -176)

### Line 15

**Retailing:** Sales of goods and certain services to consumers. Taxable retail services include those generally performed on property, such as construction and repair, but not professional services. Also includes escrow agencies, certain amusement activities, transient lodging, and specific consumer services, including landscape maintenance, health and fitness activities and day trips for sightseeing. (RCW 82.04.050)

## Section II, State and Local Sales and Use Tax Lines 16-25

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### Line 16

**Retail Sales Tax:** Retail sales tax applies to the sale, rental, repair, or installation (including labor) of tangible personal property purchased by consumers for their use (not for direct resale or as an ingredient used to produce or process an article for resale). Transient lodging and some amusement, personal services, and recreational activities are retail sales. Construction (materials and labor) performed for consumers is a retail activity. This line represents the state portion of the total sales tax collected. (RCW 82.04.050; 82.08.020)

### Line 17

**Use Tax:** Use tax applies to all tangible personal property used in Washington upon which the state's sales or use tax has not been paid. The tax is based on the value of the goods at the time of first use in Washington. The purchase price generally determines the value of items. No deductions are allowed from use tax. However, there is a credit for the amount of sales and use tax paid by the user in another state. (WAC 458-20-178)

### Lines 18-22

**Local Sales Tax:** Businesses collect both the state and local sales tax. For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-145)

### Lines 23-25

**Local Use Tax:** For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-145) **Note:** Sales/use tax may be due **each** time the property passes to a new owner for use in Washington.

Public Road Construction/Government Contracting/Environmental Remedial Actions: If you are involved in government contracting, public road construction activity, or environmental remedial actions, you owe retail sales tax or use tax on all materials installed, applied, attached, or otherwise incorporated in your project. Persons involved in these activities are the consumers of all materials. (RCW 82.04.190)

### Regional Transit Authority (RTA) Tax

Retail sales occurring within the RTA boundaries (portions of King, Pierce and Snohomish Counties) are subject to an additional tax of four-tenths of one percent (.004). Businesses or persons located within the RTA area who owe use tax on tangible personal property will also owe the additional .004 on all items subject to the use tax. Maps outlining the RTA boundaries can be obtained by contacting your local Revenue office or by calling (800) 647-7706. (RCW 81.104.170)

## King County Food & Beverage Tax

Sales of food and beverages in King County restaurants, taverns and bars which are subject to retail sales tax are also subject to this additional tax of one-half of one percent (.005). (WAC 458-20-12401)

## Section III, Lodging Taxes Lines 34-41

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### Lines 34-35

**Transient Rental Income Information:** Lodging provided for periods less than 30 consecutive days by hotels, motels, tourist courts, trailer camps, RV parks, bed and breakfasts, campsites, etc. To report transient rental income, use the same location code as for reporting local sales tax. This is not an additional tax. (WAC 458-20-166)

### Lines 36-38

**Convention and Trade Center Tax:** King County hotels/motels with 60 or more units must collect the additional convention and trade center tax. To report the tax, use the same location code as for reporting local sales tax. For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-166)

### Lines 39-41

**Special Hotel/Motel Tax:** Hotels/motels, RV parks, or any other type of lodging in certain areas must collect additional special hotel/motel taxes. To report the tax, use the same location code as for reporting local sales tax. For information about which areas impose the additional tax and tax rates, see the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-166)

## Section IV, State Public Utility Tax Lines 42-48

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### Line 42

**Water Distribution:** Operation of a plant or system, including nonprofit, for the distribution of water for hire or sale. (WAC 458-20-179)

### Line 43

**Sewer Collection:** Collection of sewerage. **Note:** The transfer, storage, treatment and disposal of sewerage is subject to the service and other activities B&O tax, line 13. (WAC 458-20-251)

### Line 44

**Power:** Operation of a plant or system for the generation, production, or distribution of electrical energy for hire or sale. The tax is levied on the person making the final distribution within the state. (WAC 458-20-179)

#### Line 45

**Gas Distribution:** Operation of a plant or system for the production or distribution, for hire or sale, of natural and/or manufactured gas. (WAC 458-20-179)

**Telegraph:** Operation of a telegraph service. (WAC 458-20-179)

#### Line 46

**Motor Transportation:** Operation of any motor-propelled vehicle by which persons or property of others are moved for hire. **Note:** See Urban Transportation, line 47. (WAC 458-20-180)

**Railroad:** Operation of any railroad used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business. (WAC 458-20-179)

**Railroad Car:** Operation of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business. (WAC 458-20-179)

#### Line 47

**Urban Transportation:** Operation of any motor-propelled vehicle by which persons or property of others are moved for hire within five miles of the corporate limits or entirely within the corporate limits of a city. (WAC 458-20-180)

**Vessels Under 65 Feet:** Operation of vessels under 65 feet upon waters entirely within Washington, except tugboats. (WAC 458-20-181)

#### Line 48

**Other Public Service Business:** Businesses not otherwise classified, subject to control by the state, or declared by law to be of a public service nature, such as airplane transportation, ferry, toll bridge, tugboat, or wharf businesses. (WAC 458-20-179)

### Section V, Other Taxes Lines 49-55

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#### Line 49

**Tobacco Products:** Distributors selling tobacco products at wholesale, or retailers purchasing tobacco products directly from out-of-state sellers. (WAC 458-20-185)

#### Line 50

**Refuse Collection:** Refuse tax is paid by customers and remitted by the refuse collectors on the charge for refuse collection only. Landfill charges are subject to the refuse collection tax. **Note:** Gross income is also taxable under line 13, service and other activities B&O tax. (WAC 458-20-250)

#### Line 51

**Petroleum Tax:** Persons first possessing petroleum products in Washington. **Note:** This is a special fund. Once a predetermined amount has been reached, this line will be shaded and no tax will be due. When the fund falls below the predetermined amount, the shading will be removed and the tax will be due again. (WAC 458-20-252)

#### Line 52

**Hazardous Substance Tax:** Persons first possessing hazardous substances in Washington. The tax is imposed on the value of the goods defined as hazardous. (WAC 458-20-252)

#### Line 53

**Litter Tax:** Manufacturers, wholesalers and retailers making sales of products in 13 categories (WAC 458-20-243) which contribute to the litter problem in this state are subject to the litter tax. For periods before January 1, 1999, the litter tax is an annual assessment paid on the final tax return of each year. Thus, persons reporting monthly report and pay the tax on the December tax return while persons reporting quarterly pay the tax on the Quarter 4 tax return. Beginning January 1, 1999, litter tax will be due on each tax return. This means persons reporting on a monthly basis will pay the tax each month while persons reporting quarterly will pay the tax each quarter. (WAC 458-20-243 and Second Substitute House Bill (2SHB) 3058 (Chapter 257, Laws of 1998))

#### Line 54

**Solid Fuel Burning Device Fee:** Retailers making sales of solid fuel burning devices collect the fee from consumers. These devices include wood stoves, coal stoves, fireplaces, including masonry and zero clearance fireplace inserts, and other similar devices which burn solid fuel. (RCW 70.94.483)

#### Line 55

**Syrup Tax:** The syrup tax is on the number of gallons of syrup sold to produce carbonated beverages sold at wholesale and retail in Washington. (WAC 458-20-255)

#### Enhanced 911 Tax

Persons providing switched access telephone lines collect the state-enhanced 911 excise tax of 20 cents a month from persons receiving retail telephone services. Effective January 1, 1999, responsibility for collecting the tax shifts from the Military Department to the Department of Revenue. At press time, the department had not determined whether to collect the tax using the *Combined Excise Tax Return* or a supplemental return. Before January 1, the Department of Revenue will mail a special notice discussing how to report the tax to local exchange and radio communication companies.

**Section VI, Credits**  
**Lines 56-64**

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**Line 56**

**Multiple Activities Tax Credit (MATC):** The Multiple Activities Tax Credit is available to certain manufacturers, extractors, and sellers doing business in Washington. Businesses are eligible for this B&O tax credit for gross receipts taxes paid in another jurisdiction or for taxes paid on multiple activities within Washington. Completion of the *Multiple Activities Tax Credit, Schedule C* is necessary each time credit is claimed, see page 17 of this guide. (WAC 458-20-19301)

**Line 57**

**High Technology Credit:** High Technology businesses may claim a B&O tax credit for research and development activities in Washington. Businesses performing research and development in the following areas qualify for the high technology credit: advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. Completion of the *Declaration Research and Development Credit* is necessary each time credit is claimed. (RCW 82.04.4452)

**Line 58**

**Ride Share Credit for B&O Tax:** Businesses providing incentives to employees that participate in ride-sharing, use public transportation or non-motorized commuting are eligible for this B&O tax credit. Telecommuting does not qualify. This credit is available to employers located anywhere in Washington regardless of the number of employees. For more information, please call Department of Revenue's Miscellaneous Tax Section at (360) 664-2202. Completion of the *Ride Share Credit Reporting Schedule* is necessary each time credit is claimed. (RCW 82.04.4453; 82.04.4454)

**Line 59**

**International Services Credit:** Businesses engaging in certain international services and creating and filling new employment positions in Community Empowerment Zones or contiguous designated census tracts meeting certain unemployment and poverty criteria may take the international services B&O tax credit. The business must also be located in the designated area. The credit amount is \$3,000 per new employment position per year for up to five years. International services must be provided to persons domiciled outside the United States or be for use primarily outside this country. International services include the following: computer; data processing; information; legal; accounting and tax preparation; engineering, architectural; business consulting; business management; public relations and advertising; surveying; geological consulting; real estate appraisal; or financial services. (Engrossed Second Substitute House Bill (E2SHB) 2342 (Chapter 313, Laws of 1998))

**Line 60**

**Small Business B&O Tax Credit:** This B&O tax credit applies to B&O tax due of less than \$71 for monthly, \$211 for quarterly, and \$841 for annual reporters. Apply the credit after applying other B&O tax credits. The Small Business Credit Table for monthly and quarterly filers is located on page 5 of this guide. The table is also enclosed with the tax return. (WAC 458-20-104)

**Line 61**

**Ride Share Credit for Public Utility Tax:** See the explanation for line 58, Ride Share Credit for B&O Tax. (RCW 82.16.047; 82.16.048)

**Line 62**

**Bad Debt Tax Credit:** Bad debt tax credit is allowed for retail sales tax which has been remitted to the Department, but has become worthless or uncollectible and written off for IRS purposes. Completion of *Schedule B* is necessary if the sales tax rate at the time of sale is different from the rate on the tax return. When the rates are the same, the deduction may be taken on lines 15 and 16, retailing B&O tax and retail sales tax. See page 11 of this guide for an explanation of the Bad Debts deduction. (WAC 458-20-196)

**Line 63**

**Hazardous Substance:** Hazardous substance tax credit is allowed for the tax paid on the value of fuel which is carried from this state in the fuel tank of airplanes, ships, trucks, or other vehicles. This credit excludes from tax any possession of fuel which remains in the fuel tanks of any carrier vehicles powered by such fuel when they leave the state. (WAC 458-20-252)

**Line 64**

**Other Credits:**

*Credit Memorandum:* If you receive a credit memorandum from the Department of Revenue for previously overpaid taxes, write the amount on the Other Credits line of the tax return, and attach the Credit Memorandum to your tax return.

*Sales Tax Paid to Other States:* Tangible personal property acquired for use in this state without payment of Washington sales tax is subject to use tax. If you acquire such property and paid sales or use tax to another state before using the property in Washington, you may take a credit for the amount of tax paid in the other state. To take the credit:

1. Identify the value of the goods on lines 17 and 23 - 25 on page 1 of the tax return (see page 8 of this guide). This establishes the amount of use tax due in Washington.
2. Identify the amount of sales and use tax paid to another state on line 64, Other Credits (up to the amount of state and local use tax due in Washington).
3. Attach documentation verifying the amount and in which state the sales or use tax was paid. Such documentation includes invoices, etc.

**Deduction Detail**  
**Pages 3 and 4**

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The deductions in this section apply to the classifications under which they are listed on the Deduction Detail sheet (pages 3 and 4) of the tax return. **Note: You must attach the Deduction Detail page to any tax return on which you take a deduction.** If the Deduction Detail pages are not completed, the deduction will be disallowed and you may be billed for additional taxes.

**Advancements/Reimbursements, Returns and Allowances** (Allowable on lines 5-15)

Advancements and reimbursements are (1) amounts received as a customary reimbursement for an advance made to procure a service for the client; (2) for services that the taxpayer does not and cannot render; and (3) amounts the taxpayer is not liable for payment except as an agent for the client. Returns and allowances are amounts received for goods returned when the cost is refunded or credited to the customer. (WAC 458-20-111; -108)

**Amounts Derived From Distribution of Water Through Irrigation Systems** (Allowable on line 42)

Amounts derived from the distribution of water through an irrigation system, solely for irrigation purposes. (WAC 458-20-179)

**Amounts Expended to Improve Consumer's Efficiency of Energy** (Allowable on line 44)

Amounts spent on additional programs that improve the efficiency of energy end-use if priority is given to senior citizens and low income citizens in the course of carrying out such programs. Such measures include residential and commercial building weatherization programs as well as energy end-user conservation programs, however designated and funded or financed. (WAC 458-20-17901)

**Amounts Paid to Another for Services Jointly Provided** (Allowable on lines 42-48)

Amounts paid by a taxpayer to another person taxable under the public utility tax for services furnished jointly by both. (WAC 458-20-179)

**Amounts Received by Nonprofit Water Associations for Capital Projects** (Allowable on line 42)

To qualify for this deduction, the income must be derived from the distribution of water **and** be used for capital improvements. Amounts which meet only one of these conditions are not deductible. (WAC 458-20-179)

**Artistic/Cultural Activities** (Allowable on lines 13-15)

Activities conducted by artistic or cultural organizations are not subject to B&O tax. (WAC 458-20-249)

**Bad Debts** (Allowable on lines 1-16, 42-48, 50)

Amounts previously reported and determined to be uncollectible. Must also be written off for IRS purposes. Also see page 10 of this guide, line 62: Bad Debt Tax Credit. (WAC 458-20-196)

**Cash and Trade Discounts** (Allowable on lines 1-3, 5-16, 42-48)

The amount of the discount may be deducted from the gross proceeds of sales if such amount was included in the gross amount reported. (WAC 458-20-108)

**Casual Sales/Accommodation Sales** (Allowable on lines 9, 15)

Casual sales consist of amounts received for sales of items by persons not usually selling such items. Accommodation sales are amounts received by a business for selling goods at cost to a like business to fill an existing order. **Note:** The seller must collect and remit the sales tax. (WAC 458-20-106; -208)

**Certain Initiation Fees/Dues/Contributions** (Allowable on line 13)

Bonafide initiation fees and dues received by a business for which no goods or services are given in return. The amount of fees and dues only give the payee the right to be a member. Contributions that are given as outright gifts for which no goods or services are given in return can also be deducted. (WAC 458-20-183)

**Certain Network Telephone Service** (Allowable on line 16)

Amounts for network telephone service, other than toll service, for residential customers and network telephone service paid for by using coins in a coin-operated telephone. (WAC 458-20-245)

**Consignment Sales** (Allowable on lines 9, 14, 15)

Sales of consigned goods when the seller collects and remits the retail sales tax. (WAC 458-20-159)

If you are the seller of consigned goods (consignee), follow these steps:

1. Report commission income on line 13, service and other activities B&O tax.
2. Report the gross amount of consignment sales in column 1 on line 14 or 15, retailing of interstate transportation equipment or retailing B&O tax.
3. In column 2 on line 14 or 15, take a deduction for the gross amount of such sales.
4. On page 3, Deduction Detail, under the column titled *Ln 14-Retail. of Int...* or *Ln 15-Retailing*, take a deduction for the gross amount of sales on the line for *Consignment Sales*.
5. In column 1 on line 16, State Retail Sales Tax, copy the amount from line 15. For information about completing line 16, see page 1 of this guide.
6. Complete line 18, local sales tax. For information about completing line 18, see page 1 of this guide.

If you are the owner of consigned goods (consignor), follow these steps:

1. Report the gross amount of consignment sales in column 1 on line 9, 14 or 15, retailing of interstate transportation equipment or retailing B&O tax.
2. Do not take any deductions for Washington sales of consignment goods.
3. In column 1 on line 16, State Retail Sales Tax, copy the amount from line 15.
4. In column 2 on line 16, take a deduction for the gross amount of consignment sales.
5. On page 4, Deduction Detail, under the column titled *Ln 16-Retail Sales*, take a deduction for the gross amount of sales on the line for *Other* and write the explanation "RST paid by (seller's tax reporting account number)."

**Exempt Food Sales** (Allowable on line 16)

Food sold by retail businesses not required to have a food and beverage handler's permit or food purchased with USDA Food Stamps. (WAC 458-20-244)

**Freight** (Allowable on lines 5-7)

Freight and delivery costs incurred by a Washington manufacturer for out-of-state shipments. (WAC 458-20-136)

**Gambling/Prizes/Cash Pay-Outs** (Allowable on line 13)

Amounts paid out or value of merchandise given as prizes in games of chance. (WAC 458-20-131)

**Interest on Certain Investments, Loans, and/or Obligations** (Allowable on line 13)

Interest received on investments or loans primarily secured by first mortgages or trust deeds on nontransient residential properties. Interest received on obligations of the state of Washington, its political subdivisions, and municipal corporations. Interest received on direct obligations of the federal government. (Interest attributable to loans or other financial obligations on which the federal government is merely a guarantor or insurer does not qualify.) (WAC 458-20-146; -14601)

**Interstate and Foreign Sales** (Allowable on lines 9,10, 12-16, 42, 44-49)

Goods sold and delivered to customers outside of Washington or transportation of persons or goods across state or international boundaries. Documentation is necessary. **Note:** Manufacturers and extractors who sell outside of Washington must report under line 7, manufacturing, or line 1, extracting classifications; this deduction is not valid for those transactions. Service providers must render the service outside the state. (WAC 458-20-193)

**Low Density Light and Power Utility Deductions**

(Allowable on line 44)

This applies only to those light and power businesses with retail power rates exceeding the state average power rates *and* which have 16 or fewer customers per mile of distribution power lines. (WAC 458-20-179)

**Motor Vehicle Fuel Tax** (Allowable on lines 9, 15)

The selling price of motor vehicle fuel for use on Washington roads includes state and federal fuel taxes. B&O tax does not apply to these taxes. This deduction allows the wholesaler or retailer to exclude fuel taxes. **Note:** Only sellers of fuel may take this deduction. (WAC 458-20-126)

**Motor Vehicle Fuel Sales** (Allowable on line 16)

Sales of gasoline and diesel fuel for use on Washington roads. **Note:** Only sellers of fuel may take this deduction. (WAC 458-20-126)

**Newspapers** (Allowable on line 16)

Sales of newspapers are not subject to sales tax. (WAC 458-20-143)

**No Local Activity/Direct Sellers** (Allowable on lines 9, 15)

Sales made in Washington by an out-of-state seller when no local activity is involved in the sale, or sales of consumer products made to or through a direct seller's representative. (WAC 458-20-193; -246)

**Other** (Allowable on lines 1-16, 42-50, 52)

Most allowable deductions are listed on the Deduction Detail sheet. Your business, however, may have a specific deduction allowed by law that is not listed. Please refer to the statute governing your type of business, or call your local Revenue office to ensure the deduction is valid. Invalid deductions will be disallowed. Use of the *Other* deduction line requires appropriate documentation or explanation. A 'resale' deduction is not valid under retail sales tax. Report amounts sold for resale under the wholesaling classification of the B&O tax. Also, there are no deductions for labor, materials, or any other cost of doing business.

**Percentage of Radio/TV Advertising** (Allowable on line 10)

Gross receipts from national, network, or regional advertising may be deducted from radio and television broadcasting stations' gross income reported or a 'standard deduction' may be applied. The standard deduction is a percentage determined annually from statistics published by the Federal Communications Commission. (WAC 458-20-241)

**Prescription Drugs/Hearing Aids/Lenses/Etc.**

(Allowable on line 16)

Sales of the above items are exempt from sales tax when the buyer presents a prescription. (WAC 458-20-18801)

**Prescription Drugs Sold by Publicly Operated or Nonprofit Hospitals** (Allowable on line 15)

Nonprofit organizations operating kidney dialysis facilities, homes for unwed mothers where the operating organization is also a religious or charitable organization, and nonprofit nursing homes on their sales of prescription drugs. (WAC 458-20-18801; -168)

**Purebred Livestock for Breeding** (Allowable on line 16)

Sales of purebred livestock for breeding purposes where the animals are registered with a nationally recognized breeding association, including dogs and cats. Sellers must receive an exemption certificate from the buyer. (WAC 458-20-122)

**Qualified Nonresident Sales** (Allowable on line 16)

Sales of tangible personal property for use outside of Washington by residents of: Alaska, Delaware, Montana, New Hampshire, Oregon, American Samoa, Guam, North Marianas Islands, Puerto Rico, Virgin Islands, the Province of Alberta and the Territory of the Yukon. **Note:** When making tax exempt sales, the seller **must** see photo identification, such as a drivers license, issued by the buyer's state of residence. The seller must also record certain information. Excise Tax Advisory (ETA) 316.08.193 provides further information as to the seller's responsibilities. (WAC 458-20-193)

**Returned or Destroyed Goods** (Allowable on line 49)

Deduction for tobacco products destroyed or returned to the manufacturer on which the tax was previously paid. (WAC 458-20-185)

**Returns and Allowances** (Allowable on line 16)

Amount of the sales price on which sales tax has been returned or credited to the purchaser. (WAC 458-20-108)

**Ride Sharing Vans** (Allowable on line 16)

Sales of passenger motor vehicles which are to be used as ride-sharing vehicles. (RCW 82.08.0287)

**Sales of Feed to Fish Farmers** (Allowable on line 16)

Sales of feed to fish farmers. Sellers must receive a resale certificate from the buyer. (WAC 458-20-102; -122)

**Sales of Manufacturing Machinery/Equipment and Installation Labor** (Allowable on line 16)

Sales of machinery and equipment, including repair and replacement parts with a useful life in excess of one year, to manufacturers and processors for hire for direct use in manufacturing operations. This exemption includes charges for installation, labor and services. Sellers must obtain a manufacturer's sales and use tax exemption certificate from the buyer. (RCW 82.08.02565)

**Sales of Nonprofit Artistic/Cultural Art Objects for Displays** (Allowable on line 16)

Purchases of art objects or property by artistic or cultural organizations for use in displaying art objects or providing exhibitions are exempt from sales tax. The seller must receive an exemption certificate from the buyer. (WAC 458-20-249)

**Sales to Enrolled Indian Tribal Members with Delivery on the Reservation** (Allowable on line 16)

Sales delivered on Indian reservations to an enrolled member of that tribe. Every member of a recognized tribe has an enrollment document. A seller making a sales tax exempt sale to a Native American must copy the information. Records must show that the seller, its employees, or a for-hire carrier acting as the vendor's agent, delivered the goods to or performed services on the reservation of the tribe in which the purchaser is enrolled. **Note:** An exemption certificate is necessary for sales of automobiles delivered on the reservation. Copies should be kept by the buyer and seller. (WAC 458-20-192)

**Sales to Other Refuse Collectors** (Allowable on line 50)

Persons who collect the refuse collection tax and who, themselves, use the further services of others for the transfer, storage, or disposal of the waste collected are not required to again pay the tax to such other service providers. The refuse collection business must provide the other refuse service provider with a refuse collector's exemption certificate. (WAC 458-20-250)

**Sales to US Government** (Allowable on lines 16, 49, 50)

Sales of tangible personal property or labor to repair or install tangible personal property for the U.S. Government, its institutions, departments, and industries. (WAC 458-20-185; -190; -250)

**Tax Deferral Investment - Certificate Number**

(Allowable on line 16)

Sales to persons approved for sales tax deferral by the Department of Revenue. Sellers must keep a copy of the purchaser's deferral certificate. (RCW 82.60; 82.61; 82.63)

**Tax In Gross** (Allowable on lines 15, 16)

Use to "back out" the amount of retail sales tax included in the gross amount reported on lines 15 and 16 only if the gross amount includes retail sales tax.

**Tax Paid at Source** (Allowable on line 16)

Amount on which sales tax was previously paid on goods purchased for resale without intervening use. (WAC 458-20-102)

**Trade-In Allowance** (Allowable on line 16)

Amount allowed for trade-in property of like kind. (WAC 458-20-247)

## Sample Tax Return

This is an example of how a typical tax return may be completed. Your business may be subject to taxes other than the ones shown. You may also qualify for different deductions, credits and exemptions.

This is the September 1998 Combined Excise Tax Return completed for our fictional taxpayer, Gigantic Enterprises. An Everett-based company, located within RTA boundaries, Gigantic Enterprises:

- A. Sold \$20,000 of products to dealers for resale, of which \$10,000 were delivered out-of-state;
- B. Performed \$5,000 worth of management consulting services;
- C. Sold \$10,000 of products to the consumers. Of these sales, \$1,000 were delivered out-of-state and \$500 were sold to a qualified non-resident;
- D. Purchased a computer from an Oregon firm for \$3,000 without paying sales tax.


A. Sales for resale are reported on line 9, wholesaling. The deduction amount is also reported on page 3. (See page 7.)

B. Consulting services are reported on line 13, service & other activities. (See page 7.)

C. Retail sales are reported on lines 15, 16 and 18. The deduction amounts for retailing and retail sales tax will not match because the sale to a qualified non-resident is only deductible from sales tax. The local tax portion of taxable sales, is reported on line 18 under the location code and rate for Everett. (See pages 7, 8, 13.)

D. Report any use tax due on lines 17 and 23. (See page 8.)

RTA tax is applicable to all sales and use tax occurring within the RTA area. (See page 8.)



STATE OF WASHINGTON  
Department of Revenue  
PO Box 34051  
Seattle, WA 98124-1051

**SEPTEMBER 1998**

**COMBINED EXCISE TAX RETURN**

**09**  
**98**

NAME Gigantic Enterprises REG NO. 601-600-600

FIRM NAME \_\_\_\_\_

STREET ADDRESS 1 Gigantic Way North

CITY, STATE, ZIP Everett, WA 12345

Please make any address changes above. Check if this change is your ☐ business location, ☐ mailing address, or ☐ both.

If your business closed, indicate date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
For additional information, see note 5 on page 2.

I STATE BUSINESS AND OCCUPATION TAX							
Line No.	Tax Classification	Code	Column 1 Gross Amount	Column 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Column 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc, Perish Meat-Wholesale, Mfg Wheat into Flour, Raw Seafood, Soybean & Canola Processing	30				.00138	
3	Travel Agent Com; Intl Charter Freight Brokers and Stevedoring	28				.00275	
4	Insurance Agents/Insurance Brokers Commis	14				.00484	
5	Manufacturing Fresh Fruits and Vegetables; Splitting or Proc. Dried Peas	21				.00138	
6	Processing for Hire/Printing and Publishing	10				.00484	
7	Manufacturing	07				.00484	
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03	20,000 00	10,000 00	10,000 00	.00484	48 00
10	Warehousing, Radio & TV Broadcasting, Public Road Construction/Government Contracting	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	83				.00471	
13	Service & Other Activities	04	5,000 00	- 0 -	5,000 00	.015	75 00
14	Retailing of Interstate Transportation Equip	19				.00484	
15	Retailing	02	10,000 00	1,000 00	9,000 00	.00471	42 00
			TOTAL B&O				165 00

\* Deductions taken but not explained on pages 3 and 4 will be disallowed.

II STATE SALES AND USE TAX							
Line No.	Tax Classification	Code	Column 1 Gross Amount	Column 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Column 4 Rate	Column 5 Tax Due
16	Retail Sales (also complete local tax section)	01	10,000 00	1,500 00	8,500 00	.065	553 00
17	Use Tax (also complete local tax section)	05	3,000 00			.065	195 00
			TOTAL STATE SALES & USE				748 00

GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME

LOCAL CITY AND/OR COUNTY SALES AND USE TAX					
Local Sales Tax (Enter applicable rate of tax) Code 45					Total Taxable Amount must be the same as line 16, column 3, Taxable Amount
Line No.	Location Code	Taxable Amount	Rate	Tax Due City or Co.	
18	3105	8,500 00	.014	119 00	
19					
20					
21					
22					
TOTAL		8,500 00		119 00	
LOCAL SALES TAX					

Local Use Tax (Enter applicable rate of tax) Code 46					Total Taxable Amount must be the same as line 17, Gross Amount
Line No.	Location Code	Taxable Amount	Rate	Tax Due City or Co.	
23	3105	3,000 00	.014	42 00	
24					
25					
TOTAL		3,000 00		42 00	
LOCAL USE TAX					

Tax Classification	Code	Taxable Amount	Rate	Tax Due
Regional Transit Authority (RTA)	89	11,500 00	.004	46 00
King Cnty Food/Bev	00		.005	

▶ Please check (✓) this box if you had no business activity. ☐

▶ This return must be filed even if no tax is due.

▶ Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.

Signature C O Taxpayer

Ph. (425) 000-0000 Date 10/25/98

5% Penalty Assessed After October 26, 1998  
10% Penalty Assessed After November 30, 1998  
20% Penalty Assessed After December 31, 1998

**DUE DATE**  
**OCTOBER 25, 1998\***

\* If the due date falls on a weekend or legal holiday, the due date for the return is extended to the next business day.

Line No.	Item	VII TOTALS
26	Total All Tax Due from page 1	1,120 00
27	Total All Tax Due from page 2	
28	Rental Car Tax (attach Rental Car Tax Addendum)	
29	Subtotal (add lines 26-28)	1,120 00
30	Credit (from page 2, section VI, total credit)	
31	Subtotal (subtract line 30 from line 29)	1,120 00
32	Penalty (see note number 4 on page 2) * Minimum \$5.00	
33	Interest	
Total Amount Owed (add lines 31 - 33)		1,120 00

Gigantic is not eligible for the Small Business B&O Tax Credit because the B&O tax for the month is greater than \$70. (See page 10.)

## Sample Tax Return, Deduction Detail Pages

These are the September 1998 Deduction Detail pages for Gigantic Enterprises, an Everett-based company selling products to dealers and consumers and providing management consulting services. Please complete the deduction detail page if you are taking deductions. Remember, deductions taken but not explained will be disallowed. If you need more space to explain a deduction, please attach an explanation.

**A.** \$10,000 of the \$20,000 wholesale sales were delivered out-of-state and are deductible as interstate and foreign sales. Record the \$10,000 deduction under line 9, deduction I.D. 0304. (See page 12.)

DEDUCTION DETAIL (Continued)								
DEDUCTION	I.D.	Ln 16-Retail Sales	I.D.	Ln 42-Water Dist.	I.D.	Ln 43-Sewer Coll.	I.D.	Ln 44-Power
Bad Debts	0101			6001		8101		4901
Cash & Trade Discounts	0102			6002		8102		4902
Interstate & Foreign Sales	0104	1,000.00		6004				4904
Tax in Gross	0114							
Sales to U.S. Government	0118							
Motor Vehicle Fuel Sales	0119							
Prescription Drugs/Hearing Aids/Lenses/etc.	0121							
Exempt Food Sales	0122							
Qualified Nonresident Sales	0123	500.00						
Trade-in Allowance	0124							
Newspapers	0125							
Certain Network Telephone Service	0126							
Sales to Indians With Delivery on the Reservation	0128							
Sales of Feed to Fish Farmers	0129							
Taxable Amount for Tax Paid at Source	0130							
Returns & Allowances	0131							
Sales to Nonprofit Artistic/Cultural Art Objects for Display	0132							
Ride-Sharing Vans	0134							
Purchased Livestock for Breeding	0135							
Tax Deferral/Investment Certificate No.								
Provided Rec'd by Nonprofit Water Capital Projects				6039				4939
Dist of Water Through Irrigation				6040				
Amts Expended to Improve Consumer								
Low Density/Wholesale Power Costs								4947
Mfg Mach/Equip; Install Labor								
TOTAL	0199	1,500.00				8199		
DEDUCTION	I.D.	Ln 45-Gas Dist...	I.D.	Ln 46-Motor Trans...	I.D.	Ln 47-Urban Trans		
Bad Debts	2601			0801		1201		
Cash & Trade Discounts	2602			0802		1202		
Interstate & Foreign Sales	2604			0804		1204		
Amts Paid to Another for Services Jointly Provided	2639			0839		1239		
Other (Explain):	2699			0899		1299		
TOTAL								
DEDUCTION	I.D.	Ln 48-Other Public.	I.D.	Ln 49-Tobacco ...	I.D.	Ln 50-Refuse Coll.		
Bad Debts	1301					6401		
Cash & Trade Discounts	1302							
Interstate & Foreign Sales	1304			2004				
Sales to U.S. Government				2018		6418		
Amts Paid to Another for Services Jointly Provided	1339							
Returned/Destroyed Goods				2043				
Sales to Other Refuse/Solid Waste Collectors						6445		
Other (Explain):	1399			2099		6499		
TOTAL								
DEDUCTION	I.D.	Ln 51-Petroleum...	I.D.	Ln 52-Hazardous...				
Petroleum Products Exported Out-of-State	5746							
Other (Explain):	5799			6599				
TOTAL								

SEPTEMBER 1998 DEDUCTION DETAIL							
<div style="display: flex; justify-content: space-between;"> <div> <div>           State of Washington            Department of Revenue            PO Box 34051            Seattle, WA 98124-1051         </div> </div> <div> <div style="border: 1px solid black; padding: 2px;">09</div> <div style="border: 1px solid black; padding: 2px;">98</div> </div> </div>							
<div> <ul style="list-style-type: none"> <li>Deductions claimed on pages 1 or 2 of the Combined Excise Tax Return but not listed on this form will be disallowed.</li> <li>The word "Line" followed by a number (for example, Line 1, Line 2, etc.) refers to the tax classification reported on pages 1 and 2 of the Return. For example, Line 15 is the same as the retailing classification.</li> <li>Report deductions under the "Line" heading that corresponds to your reporting activity.</li> <li>Transfer the total amount of each deduction from this form to the corresponding line number on pages 1 &amp; 2, column 2, of your Return.</li> <li>Shading on a line indicates that the deduction is not allowable.</li> </ul> </div>							
<b>IF COMPLETING, FILL OUT NAME, REGISTRATION NUMBER AND ATTACH TO COMBINED EXCISE TAX RETURN.</b>							
NAME		Gigantic Enterprises		REG. NO.		601 - 600 - 600	
DEDUCTION	I.D.	Ln 1-Extracting...	I.D.	Ln 2-Slaughter...	I.D.	Ln 3-Travel Agent...	Ln 4-Insurance...
Bad Debts	1601		3001		2801		1401
Cash & Trade Discounts	1602		3002		2802		
Other (Explain):	1699		3099		2899		1499
TOTAL							
DEDUCTION	I.D.	Ln 5-Manuf. Fresh...	I.D.	Ln 6-Processing...	I.D.	Ln 7-Manufacturing	Ln 8-Royalties...
Bad Debts	2101		1001		0701		8001
Cash & Trade Discounts	2102		1002		0702		8002
Freight	2103		1003		0703		
Advances Reimbursements Returns & Allowances	2107		1007		0707		8007
Other (Explain):	2199		1099		0799		8099
TOTAL							
DEDUCTION	I.D.	Ln 9-Wholesaling	I.D.	Ln 10-Warehousing	I.D.	Ln 11-Public or...	Ln 12-Cleanup of...
Bad Debts	0301		1101		5501		8301
Cash & Trade Discounts	0302		1102		5502		8302
Interstate & Foreign Sales	0304	10,000.00	1104				8304
Motor Vehicle Fuel Tax	0305						
Casual Sales/Accommodation Sales	0306						
Advances Reimbursements Returns & Allowances	0307		1107		5507		8307
No Local Activity	0308						
Radio/TV Advertising			1109				
Other (Explain):	0399		1199		5599		8399
TOTAL		10,000.00					
DEDUCTION	I.D.	Ln 13-Service &...	I.D.	Ln 14-Retail of Int...	I.D.	Ln 15-Retailing	
Bad Debts	0401		1901		0201		
Cash & Trade Discounts	0402		1902		0202		
Interstate & Foreign Sales	0404		1904		0204		
Motor Vehicle Fuel Tax					0205		
Advances Reimbursements Returns & Allowances	0407		1907		0207		
No Local Activity					0208		
Gambling/Prize/Cash Pay-Outs	0410						
Certain Inflation Fees/Dues/Contrib	0411						
Interest on Certain Invest/Loan/Obligations	0412						
Casual Sales/Accommodation Sales					0213		
Tax in Gross					0214		
Consignment Sales					0215		
Artistic/Cultural Activities	0416		1916		0216		
Presc Drugs Sold by Pub Operated/Nonprofit Hosp					0217		
Other (Explain):	0499		1999		0299		
TOTAL					1,000.00		

**C.** \$1,000 of the products sold to consumers were delivered out-of-state and \$500 were sold to a qualified non-resident. Record the \$1,000 deduction under lines 15 and 16, deduction I.D.'s 0204 and 0104 respectively. The \$500 deduction is available only under retail sales tax; B&O tax is still due on the sale. Record the \$500 deduction under line 16, deduction I.D. 0123. (See page 12.)

**Note:** No deductions are allowed for examples B and D on the previous page.

## Common Business Activities and Tax Classifications

This table shows some common classifications as shown on the Combined Excise Tax Return. *It provides general reporting guidelines, not specific reporting instructions.* For instance, if you conduct multiple activities, it may be necessary to report under several B&O tax classifications. Specific activities, such as cigarette sales, may also be subject to other taxes. If you have further questions, please call or visit one of our field offices.

Business Activity	Common Tax Classification *	Rules/Laws
Accounting, Bookkeeping, Tax Preparation	S&O	WAC 458-20-224
Actuarial	S&O	WAC 458-20-224
Advertising Agencies	S&O	WAC 458-20-218
Amusement & Recreation Services	RET, RST, RTA, S&O	WAC 458-20-183; RCW 82.04.050
Appraiser	S&O	WAC 458-20-224
Architects	S&O, RET, RST, RTA	WAC 458-20-170; 224
Athletic Clubs	RET, RST, RTA, S&O	WAC 458-20-183
Attorneys	S&O	WAC 458-20-207
Beauty Salon/Barber	S&O, RET, RST, RTA	WAC 458-20-138; 224
Business Consulting	S&O	WAC 458-20-224
Car Wash	RET, RST, RTA	WAC 458-20-173
Catering	RET, RST, RTA, WHL, KCFB	WAC 458-20-119; 124; 12401
Child Care	CHI (School Age Children)	WAC 458-20-167; Childcare Brochure, HB 2335 (Ch 312, Laws of 1998)
Collection Contracts (Without Escrow)	S&O	WAC 458-20-156
Commission Salespersons/Agents	S&O	WAC 458-20-159
Computer Services	S&O, RET, RST, RTA, WHL	WAC 458-20-155
Consumer Goods	RET, RST, RTA, WHL, LIT	RCW 82.04.050
Construction	WHL, RET, RST, RTA, PRC, GOV	WAC 458-20-170; 17001; 171; 172; 173
Court Reporters	S&O	WAC 458-20-224
Credit Bureau Services	RET, RST, RTA	RCW 82.04.050
Data Processing	S&O	WAC 458-20-155
Dentists/Orthodontists	S&O, RET, RST, RTA	WAC 458-20-151
Design Services	S&O, RET, RST, RTA	WAC 458-20-224; RCW 82.04.050
Engineers	S&O, RET, RST, RTA	WAC 458-20-170; 224
Escrow Services	RET, RST, RTA	WAC 458-20-156
Farming for Hire	S&O	WAC 458-20-209
Graphic Design	S&O, RET, RST, RTA	WAC 458-20-224; 155; RCW 82.04.050
Grocery & Convenience Stores	RET, RST, RTA, LIT	WAC 458-20-244; 243
Hotel, Motels	RET, RST, RTA, C&T, SHM, KCFB, S&O	WAC 458-20-118; 124; 12401; 166
Insurance Agent, Broker, Solicitor	IAC	WAC 458-20-164; 163
Insurance Adjuster	S&O	WAC 458-20-212
Janitorial	S&O	WAC 458-20-172
Landscape Gardeners	RET, RST, RTA	WAC 458-20-226; RCW 82.04.050
Laundry Services	RET, RST, RTA	WAC 458-20-165; 173
Legal, Arbitration, & Mediation	S&O	WAC 458-20-207; 224
Mailing Bureaus	RET, RST, RTA, WHL	WAC 458-20-141
Newspaper Delivery	RET, RST	Special Notice 12/20/94
Optometrists	S&O, RET, RST, RTA	WAC 458-20-150
Painting	RET, RST, RTA, WHL, GOV	WAC 458-20-173; 170; 17001
Photographers	RET, RST, RTA, RTA, WHL, S&O	WAC 458-20-140
Physicians	S&O	WAC 458-20-138; 151; 18801
Pressure Washing	RET, RST, RTA, WHL	WAC 458-20-173; RCW 82.04.050
Private Investigators	S&O	WAC 458-20-224
Protective Services	S&O	WAC 458-20-224
Rental of Equipment w/o Operator	RET, RST, RTA, WHL	WAC 458-20-211; RCW 82.04.050
Repair Tangible Personal Property	RET, RST, RTA, WHL	WAC 458-20-173
Restaurants	RET, RST, RTA, LIT, KCFB	WAC 458-20-12401; 119; 124
Royalties	ROY	SB 6449 (Ch 331, Laws of 1998)
Sales of Goods to US Government	RET, RST	WAC 458-20-190
Sales to State/Local Government/Schools	RET, RST, RTA	WAC 458-20-189
Secretarial/Clerical/Stenographers	S&O	WAC 458-20-224
Software	RET, RST, RTA, S&O	WAC 458-20-155; SSB 6470 (Ch 332, Laws of 1998)
Taxi	URB, MTR	WAC 458-20-180, 179
Travel Agents	TAC	WAC 458-20-258
Trucking	URB, MTR	WAC 458-20-180, 179, 193D
Vending Machines	RET, RST, RTA	WAC 458-20-244
Veterinarians	S&O, RET, RST, RTA	WAC 458-20-222

### \* Common Tax Classifications

C&T - Convention & Trade, page 8.  
 CHI = Child Care, page 7.  
 GOV = Government Contracting, page 7.  
 IAC = Insurance Agent Commissions B&O, page 6.  
 KCFB = King County Food & Beverage, page 8.  
 LIT = Litter Tax, page 9.

MTR = Motor Transportation PUT, page 9.  
 PRC = Public Road Construction, page 7.  
 RET = Retailing B&O, page 7.  
 ROY = Royalties, page 7.  
 RST = Retail Sales Tax, page 8.  
 RTA = Regional Transit Authority, page 8.

S&O = Service & Other Activities B&O, page 7.  
 SHM = Special Hotel/Motel, page 8.  
 TAC = Travel Agent Commission, page 6.  
 URB = Urban Transportation PUT, page 9.  
 WHL = Wholesaling B&O, page 7.



**STATE OF WASHINGTON**  
**MULTIPLE ACTIVITIES TAX CREDIT**  
**SCHEDULE C**

NAME _____	REG. NO. _____
FIRM NAME _____	
ATTACHED TO: _____, _____ EXCISE TAX RETURN	

**INSTRUCTIONS FOR PART I**

**Use Part I ONLY if you have paid taxes to other states with respect to activities also taxable in Washington.**

- Find the Activity (A through E) which applies to your business (more than one activity may apply).
- Enter in Column 1 the taxable amount pertaining to that activity as reported on the Combined Excise Tax Return.
- Enter in Column 2 the amount of Washington B & O Tax due on the amount in Column 1.
- Enter in Column 3 the amount of gross receipts tax paid to other states under the appropriate heading.
- Enter in Column 4 the lesser of the amounts entered in Columns 2 and 3.
- Add all amounts in Column 4 and enter in the Subtotal Box.

**PART 1 - EXTERNAL CREDITS "Taxes Paid To Other States"**

ACTIVITY WHICH RESULTS IN A TAX CREDIT	Column 1	Column 2	Column 3			Column 4	
	Taxable Amount	B & O Taxes Paid	Gross Receipts Taxes Paid			Line Code	Total Credit
			Other U.S. States	Non-Washington Local Govts.	Foreign Countries and Territories		
A. Sales in Washington of products extracted outside of Washington						67	
B. Sales in Washington of products manufactured outside of Washington						67	
C. Washington manufactured products extracted outside of Washington						67	
D. Washington extracted products sold outside of Washington						68	
E. Washington manufactured products sold outside of Washington						68	
Multiple Activities Tax Credit Subtotal of taxes paid to other states.							

**INSTRUCTIONS FOR PART II**

**Use Part II ONLY if you have reported taxable amounts under two or more Washington B & O tax classifications.  
Make no entries in the shaded boxes.**

- Find the Activity (F, G or H) which applies to your business (more than one activity may apply).
- Enter in Column 1 the taxable amount pertaining to this activity.
- Enter in Column 2 the B & O Tax applicable to this activity under the appropriate heading(s). (Use the appropriate tax rates for your activities as shown on the Combined Excise Tax Return, Column 5).
- For Activity F enter in Column 3 the tax amount listed under Extracting.
- For Activity G combine the amounts entered under wholesaling and retailing and enter the result in Column 3.
- For Activity H combine the amounts entered under wholesaling and retailing. Enter in Column 3 the lesser of the manufacturing or the combined wholesaling and retailing amount.
- Add all amounts in Column 3 and enter in Subtotal Box.

**PART II - INTERNAL CREDITS "Taxes Paid To Washington State"**

		Column 1	Column 2				Column 3	
ACTIVITY WHICH RESULTS IN A TAX CREDIT		Taxable Amount	Business And Occupation Tax Reported				Line	Total Credit
			Extracting	Manufacturing	Wholesaling	Retailing	Code	
F. Washington extracted products manufactured in Washington							16	
G. Washington extracted products sold in Washington						16		
H. Washington manufactured products sold in Washington						07		
Multiple Activities Tax Credit Subtotal of taxes paid to Washington State.								

**Enter the total credits from Part I and Part II in this box and transfer the amount to  
the Multiple Activities Tax Credit line on the Combined Excise Tax Return**

<b>Credit ID 800</b>	
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To inquire about the availability of this document in an alternate format for the visually impaired or in a language other than English, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985. You may also access tax information on our Internet home page at <http://www.wa.gov/dor/wador.htm>.

**LOCAL CITY AND/OR COUNTY SALES AND USE TAX**

Use this form if space on page 1 FORM 40 2406 is not sufficient

[illegible]

Name	Tax Reporting Account No.	–	–
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*If you have business activity in more than one location, use the space below to show breakdown of income by city or county. Group sales tax and use tax separately.*

[illegible]

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## Order Form

The Department of Revenue offers numerous publications covering a wide range of topics. These publications are available upon request from any Department of Revenue local district office, or by calling the Telephone Information Center at (800) 647-7706, or by completing this form and mailing it to: Department of Revenue, Taxpayer Services Division, PO Box 47478, Olympia, WA 98504-7478. Many of these publications are also available on the Department's Internet web site at <http://www.wa.gov/dor/wador.htm>

### Quantity Publication

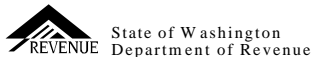
\_\_\_\_\_ Active, Nonreporting Business  
 \_\_\_\_\_ Aircraft Taxes  
 \_\_\_\_\_ Audit Process  
 \_\_\_\_\_ Deferrals, Credits and Exemptions  
 \_\_\_\_\_ Below Minimum  
 \_\_\_\_\_ Business and Occupation Tax  
 \_\_\_\_\_ Business Tax Overview  
 \_\_\_\_\_ Cigarette Tax  
 \_\_\_\_\_ Collection Process  
 \_\_\_\_\_ Electronic Funds Transfer  
 \_\_\_\_\_ Farm Use Tax  
 \_\_\_\_\_ Fast Fax  
 \_\_\_\_\_ Fish Taxes  
 \_\_\_\_\_ Hazardous Substance Tax  
 \_\_\_\_\_ High Technology B&O Tax Credit  
 \_\_\_\_\_ Home Owner's Guide to Property Tax  
 \_\_\_\_\_ Horse Industry Tip Sheet  
 \_\_\_\_\_ How to Amend Your Combined Excise Tax Return  
 \_\_\_\_\_ Nonprofit Organizations  
 \_\_\_\_\_ Outline of Major Taxes  
 \_\_\_\_\_ Personal Property Tax

### Quantity Publication

\_\_\_\_\_ Property Tax Deferrals for Senior Citizens and Disabled Persons  
 \_\_\_\_\_ Property Tax Exemptions for Senior Citizens and Disabled Persons  
 \_\_\_\_\_ Resale Certificate  
 \_\_\_\_\_ Real Estate Transactions and Use Tax  
 \_\_\_\_\_ Retail Sales Tax  
 \_\_\_\_\_ Tax Relief for Senior Citizens and Disabled Persons  
 \_\_\_\_\_ Small Claims Hearings  
 \_\_\_\_\_ Tax, Title and Registration of Boats  
 \_\_\_\_\_ Taxpayer Rights and Responsibilities  
 \_\_\_\_\_ Temporary Business Registration  
 \_\_\_\_\_ Unclaimed Property  
 \_\_\_\_\_ Use Tax  
 \_\_\_\_\_ Excise Tax Advisories \_\_\_\_\_  
 (identify by number)  
 \_\_\_\_\_ Numerical Listing and Titles of ETAs  
 \_\_\_\_\_ Special Notices \_\_\_\_\_  
 (identify by number and title)  
 \_\_\_\_\_ Tax Topics Article Reprint \_\_\_\_\_  
 (please include code, issue and article)  
 \_\_\_\_\_ WAC Rule \_\_\_\_\_  
 (identify by number)

### Please Send Publication(s) To:

Contact Person: \_\_\_\_\_  
 Business Name: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_



## RESALE CERTIFICATE

Name of Seller: \_\_\_\_\_ Name of Buyer/Business: \_\_\_\_\_  
 Address of Buyer: \_\_\_\_\_  
 Street City, State Zip Code  
 Buyer's UBI/Revenue Registration Number: \_\_\_\_\_ Buyer is in the business of: \_\_\_\_\_  
 Types of items purchased for resale: \_\_\_\_\_

*The buyer certifies that it is purchasing the items listed on line 6 (please check appropriate box):*

- ☐ for resale in the regular course of business without intervening use.
- ☐ for use as an ingredient or component part of a new article of tangible personal property to be produced for sale,
- ☐ as a chemical to be used in processing a new article of tangible personal property to be produced for sale, or
- ☐ for use as feed, seed, seedlings, fertilizer, or spray materials in its capacity as a farmer.

*The buyer acknowledges that it is solely responsible for purchasing within the categories listed on line 6. The buyer acknowledges that misuse of the resale privilege subjects the buyer to a **penalty of 50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.*

Print Name: \_\_\_\_\_  
 \_\_\_\_\_  
 Name of Person Authorized By the Buyer to Sign the Resale Certificate

Signature: \_\_\_\_\_  
 \_\_\_\_\_  
 Signature of Authorized Agent of the Buyer

Effective Date: \_\_\_\_\_ through \_\_\_\_\_ Date Signed: \_\_\_\_\_  
 (Not To Exceed 4 Years)

**NOTE:** This is a **SAMPLE** Resale Certificate. It has been provided in this guide for your convenience. You may copy and use this form, or you may purchase a Resale Certificate from your local stationery store.

## 24-Hour Automated Services

The Department of Revenue's Telephone Information Center offers several automated services. With the exception of *Tax Express* and Revenue's Internet home page, you can access any of these services by calling (800) 647-7706. Listen to the menu and select the option you wish to use.

**Fast Fax**- transmit documents directly to your fax machine. For a list of available documents, enter code 500#. To bypass menu selections, call (360) 786- 6116.

**Workshops**- call to attend one of the spring or fall UBI Business Information Workshops.

**Vehicle or vessel fraud**- report vehicle or vessel licensing fraud.

**Address changes**- notify us if you have moved or changed your mailing address.

**Business closures**- notify us if you have closed or sold all or a part of your business. If you've sold your business, tell us who you sold the business to and whether you'll continue to do business under your UBI/tax registration number.

**Master Application**- request a new Master Application if you're changing your business structure (legal entity),

changing or adding a trade name, opening a new location, reopening a closed business, divorcing and your spouse is no longer responsible for the business, changing your principle product or service and a license from another agency is required, or transferring the majority of a corporation's stock to different individuals.

**Copies of rules, laws, or other department publications**- request a rule, law, or other publication. An order form listing the Department's fact sheets and brochures is available via *Fast Fax*, code 501#.

**Proposed rules**- leave informal comments on proposed rule changes or ask to be placed on a mailing list to receive notice of future proposed rule-making actions.

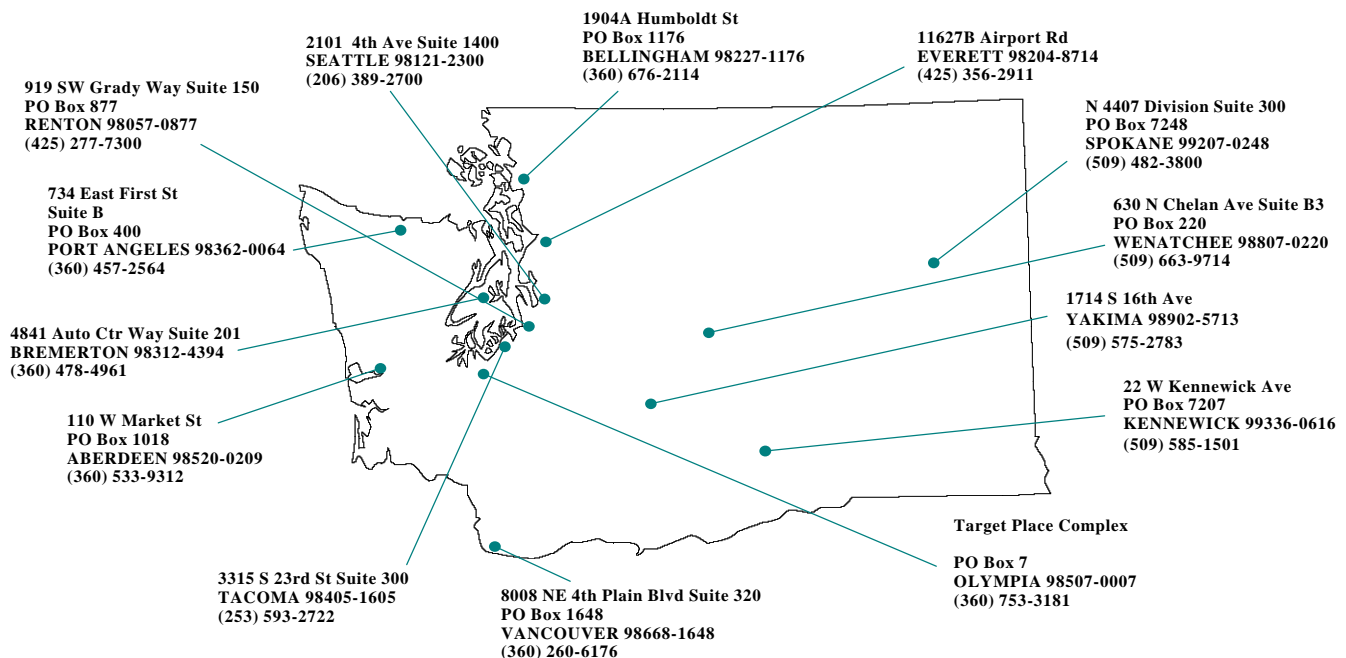
**Delinquent notices/no tax returns**- clear the delinquency if you have received a delinquent notice and you have no business to report.

**Duplicate tax returns**- request a new tax return if you've misplaced your tax return. You can have the return faxed or mailed. Have your UBI/tax registration number ready when calling.

**Tax Express**- listen to prerecorded tax information by calling (800) 334-8969. To listen to the topic of your choice, enter the three-digit code. To receive a list of topics and codes, call (800) 647-7706 and leave a message with the automated voice attendant.

**Revenue's home page**- see what's new on our home page:  
<http://www.wa.gov/DOR/wador.htm>

## Taxpayer Assistance Locations



### Need Assistance or Tax Forms?

Please call the location nearest you, or call (800) 647-7706, (360) 786-6100 in the Olympia area. Teletype (TTY) users may call (800) 451-7985.